

SENATE BILL 1773

By Ketron

AN ACT to amend Tennessee Code Annotated, Title 8, Chapter 35, Part 2, relative to the participation of certain entities in the Tennessee consolidated retirement system that are engaged in the administration of programs authorized under the federal Workforce Investment Act of 1998.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 8-35-221, is amended by deleting that section in its entirety and by substituting instead the following language:

8-35-221.

(a) Any entity engaged in the administration of the programs authorized under the Workforce Investment Act of 1998, 29 U.S.C. § 2801 et seq., on behalf of a local workforce investment area designated under 29 U.S.C. § 2831 shall be eligible to be a participating employer in the Tennessee consolidated retirement system upon satisfying the following conditions:

(1) The local workforce investment area includes more than one (1) political subdivision of this state;

(2) The administrative entity for the local workforce investment area is currently or was previously an institution of the University of Tennessee or the Tennessee board of regents;

(3) The elected chief executive officers of the political subdivisions that comprise the local workforce investment area pass a resolution authorizing an actuarial study to determine the liability associated with such participation, and accepting responsibility for the costs of such study; and

(4) Following receipt of the actuarial study, such elected chief executive officers pass a resolution authorizing such participation and agreeing that the liability therefor shall be paid from funds allocated to the local workforce investment area by grant, contract, or otherwise from state, local, or federal sources.

(b) The employees of the entity shall make the same contributions, participate in the same manner, and shall be eligible for the same benefits as employees of local governments participating in the retirement system under this part.

(c) Such employees shall be entitled to credit for such prior service as approved by the elected chief executive officers as provided in subsection (a) under the same provisions that apply to employees of local governments.

(d) In case of the withdrawal of the entity as a participating employer, the benefits of members and beneficiaries shall be determined in accordance with the provisions of § 8-35-211.

(e) The retirement system shall not be liable for the payment of retirement allowances or other benefits on account of employees of the entity or their beneficiaries for which reserves have not been previously created from funds contributed by the entity or its employees, or both.

(f) It is the legislative intent that the state shall realize no increased cost as a result of this section. All costs associated with retirement coverage, including administrative costs, shall be the responsibility of the entity.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.